

# Financial Section

# **Independent Auditors Section**



GROVE, MUELLER & SWANK, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

## ***INDEPENDENT AUDITOR'S REPORT***

To the Honorable Mayor, Members of the  
City Council and the City Manager  
City of Springfield, Oregon

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Springfield, Oregon as of and for the year ended June 30, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Springfield, Oregon as of June 30, 2004, and the respective changes in financial position and the cash flows where applicable thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.


In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2004 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Required Supplementary Information are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Springfield's basic financial statements. The other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*GROVE, MUELLER & SWANK, P.C.*  
*CERTIFIED PUBLIC ACCOUNTANTS*

By:   
Charles A. Swank, A Shareholder  
December 2, 2004

# **Management Discussion and Analysis**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of City of Springfield's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended June 30, 2004. Please read it in conjunction with the City's financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

- The City's Total combined assets at June 30, 2004 are \$167,372,756.
- The City's total combined liabilities at June 30, 2004 are \$22,808,426.
- The City's total combined net assets at June 30, 2004 are \$144,564,330.
- At June 30, 2004, the City's governmental funds reported a combined ending fund balance of \$24,643,662. \$15,694,406 is unreserved and available for appropriation.
- The General Fund reported an ending fund balance this year of \$5,967,393. This is a significant increase from the previous year's fund balance of \$4,909,242 although the increase is attributed to transfers from other funds.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the City of Springfield's basic financial statements. The City's basic financial statements comprise three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

#### **Government-wide Financial Statements**

The government-wide financial statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include:

- General Government
- Police
- Fire
- Public Works
- Library
- Development Services

The business-type activities of the City include:

- Local Sewer Service
- Booth Kelly (operation of the Booth Kelly Center, a large commercial building)
- Emergency Medical Services

The government-wide financial statements include not only the City of Springfield itself (known as the primary government), but also the legally separate Metropolitan Wastewater Management Commission and the legally separate Regional Fiber Consortium. The City provides all administrative duties for the Metropolitan Wastewater Management Commission and the Regional Fiber Consortium, in accordance with intergovernmental agreements. Therefore, management believes it would be misleading to exclude these entities from the government-wide financial statements.

Financial information for both component units is reported separately from the financial information presented for the primary government itself.

[The government-wide financial statements can be found on pages 15-16](#) of the basic financial statements.

## **Fund Financial Statements**

The fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: government funds, proprietary funds, and fiduciary funds.

***Governmental funds.*** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the acquisition and use of current spendable resources, as well as on balances of spendable

resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and government activities. The reconciliations can be found on page 19 in the basic financial statements.

The City maintains 13 individual government funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for those funds that are considered significant (major) to the City taken as a whole. These financial statements report five funds: General Fund, Street, Special Revenue, Community Development Block Grant, and Development Projects. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for all governmental funds. To demonstrate compliance with the budget, budgetary comparison statements have been provided for the General Fund and the major special revenue funds as required supplementary information on pages 49-52. Budgetary comparisons for all other governmental funds have been provided elsewhere in this report.

The governmental fund financial statements can be found at pages 17-18 in the basic financial statements.

***Proprietary funds.*** The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in government-wide financial statements. The City uses enterprise funds to account for its Local Sewer Services, Emergency Medical Service and Booth-Kelly building. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal services funds to account for its equipment, including its fleet of vehicles and its computer and telecommunication equipment, and also for employee benefits and risk management activities. Because both of these services predominantly benefit government rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sewer Fund, the Emergency Medical Services Fund, and the Booth-Kelly Fund which are all considered to be major funds of the City. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund



financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The proprietary fund financial statements can be found on pages [20-22](#) in the basic financial statements.

***Fiduciary funds.*** The City is the trustee, or *fiduciary*, for certain funds. The City is responsible for ensuring that the assets reported in a fiduciary fund are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

The fiduciary fund financial statements can be found on pages [23](#) in the basic financial statements.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages [25-49](#) of this report.

**Required supplementary information.** This report also presents certain required supplementary information concerning budgetary comparisons for the general and major special revenue funds and information about the City's progress in funding its obligation to provide pension benefits to its employees.

**Other supplementary information.** The combining statements referred to earlier in connection with non major governmental funds and internal service funds, the schedule of property tax transactions, the schedule of bonded debt transactions and future requirements for bonded debt and four schedules required to demonstrate compliance with bond indenture requirements are included in this report and can be found on pages [53-100](#).

## **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$144,564,330 at the close of the most recent fiscal year.

The largest portion of the City's net assets \$91,576,071, or 63% reflects its investment in capital assets (e.g., land and right-of-way, buildings, improvements, equipment, and infrastructure, net of accumulated depreciation), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

## City of Springfield's Net Assets

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Current and other assets	\$ 39,281,109	\$ 35,056,978	\$17,892,738	\$17,301,693	\$57,173,847	\$ 52,385,671
Capital assets, net, where applicable, of accumulated depreciation	76,680,304	73,354,578	33,518,605	33,145,227	110,198,909	106,499,805
Total assets	<u>115,961,413</u>	<u>108,411,556</u>	<u>51,411,343</u>	<u>50,446,920</u>	<u>167,372,756</u>	<u>158,858,476</u>
Non-current liabilities	10,703,942	12,831,430	1,886,538	5,626,126	12,590,480	18,457,555
Other liabilities	5,615,928	4,397,513	4,602,018	1,231,764	10,217,946	5,629,277
Total liabilities	<u>16,319,870</u>	<u>17,228,943</u>	<u>6,488,556</u>	<u>6,857,890</u>	<u>22,808,426</u>	<u>24,806,833</u>
Net assets:						
Invested in capital assets, net of related debt	72,872,736	64,574,366	24,282,731	27,984,816	91,576,071	92,559,182
Restricted	8,832,702	4,575,250	5,509,851	5,226,609	14,337,225	9,801,859
Unrestricted	17,936,105	22,032,997	15,130,205	10,377,605	38,651,034	32,410,603
Total net assets	<u>\$99,641,543</u>	<u>\$91,182,613</u>	<u>\$44,922,787</u>	<u>\$43,589,030</u>	<u>\$144,564,330</u>	<u>\$134,771,643</u>

An additional portion of the City's net assets \$14,337,226 presents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$38,651,034 or 27% may be used to meet the government's ongoing obligations to citizens and creditors.

## City of Springfield's Change in Net Assets

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Revenues:						
Program revenues:						
Charges for services	\$9,542,761	\$8,416,222	11,767,249	10,698,364	\$21,310,010	\$19,114,586
Operating grants and contributions	4,320,643	7,453,464	-	-	4,320,643	7,453,464
Capital grants and contributions	8,862,192	814,064	926,308	1,932,085	9,788,500	2,746,149
General revenues:						
Taxes	19,745,110	15,737,137	-	-	19,745,110	15,737,137
In lieu of tax payments	2,148,012	1,950,145	-	-	2,148,012	1,950,145
Shared revenue	927,259	880,291	-	-	927,259	880,291
Interest and investment earnings	295,382	629,891	141,852	350,104	437,234	979,995
Gain/(loss) on disposal of assets	(108,614)	5,401,456	557,509	-	448,895	5,401,456
Miscellaneous receipts	253,878	258,703	165,850	42,882	419,728	301,585
Total revenues	<u>45,986,623</u>	<u>41,541,373</u>	<u>13,558,768</u>	<u>13,023,435</u>	<u>59,545,391</u>	<u>54,564,808</u>
Expenses:						
General Government	4,840,651	4,552,975	-	-	4,840,651	4,552,975
Development Services	6,515,102	4,720,587	-	-	6,515,102	4,720,587
Fire	7,833,341	6,230,207	-	-	7,833,341	6,230,207
Library	1,330,856	1,415,560	-	-	1,330,856	1,415,560
Police	10,454,210	9,219,461	-	-	10,454,210	9,219,461
Public Works	6,239,200	5,704,476	-	-	6,239,200	5,704,476
Unallocated depreciation	235,888	235,888	-	-	235,888	235,888
Interest on debt	538,563	571,376	-	-	538,563	571,376
Sewer	-	-	6,677,105	6,505,305	6,677,105	6,505,305
Booth Kelly	-	-	438,049	496,460	438,049	496,460
Emergency Medical Services	-	-	4,654,840	4,467,552	4,654,840	4,467,552
Total expenses	<u>37,987,811</u>	<u>32,650,530</u>	<u>11,769,994</u>	<u>11,469,317</u>	<u>49,757,805</u>	<u>44,119,847</u>
Increase in net assets before transfers	<u>7,998,812</u>	<u>8,890,843</u>	<u>1,788,774</u>	<u>1,554,118</u>	<u>9,787,586</u>	<u>10,444,960</u>
Transfers	455,019	(4,109,189)	(455,019)	4,109,189	-	-
Increase in net assets	<u>8,453,831</u>	<u>4,781,654</u>	<u>1,333,755</u>	<u>5,663,307</u>	<u>9,787,586</u>	<u>10,444,960</u>
Net assets – 7/1/03	<u>91,187,712</u>	<u>86,400,959</u>	<u>43,589,030</u>	<u>37,925,724</u>	<u>134,776,742</u>	<u>124,326,683</u>
Net assets 6/30/04	<u><u>\$99,641,543</u></u>	<u><u>\$91,182,613</u></u>	<u><u>\$44,922,785</u></u>	<u><u>\$43,589,030</u></u>	<u><u>\$144,564,328</u></u>	<u><u>\$134,771,643</u></u>

**Entity-wide change in net assets:** Entity-wide net assets increased by \$9,787,586 in the current fiscal year compared to an increase of \$10,444,960 in the prior year. One of the most significant differences between the two years is related to the Public Safety levies approved by voters in November 2002. Revenues from property taxes increased by over \$4,000,000 compared to the

prior year and expenses in the Public Safety programs increased by almost \$3,000,000 over the prior year. Another significant difference is an increase of \$1,794,515 in expenses by the Development Services Department. This increase is attributable to the City's participation in the public-private partnership Sports Center project.

**Governmental Activities.** Governmental activities increased the City's net assets by \$8,453,831, thereby accounting for 87% of the growth in total net assets. The primary element of this increase is as follows:

- The City received \$4,125,000 from the Oregon Department of Transportation for jurisdictional transfer of a section of South 42<sup>nd</sup> Street.

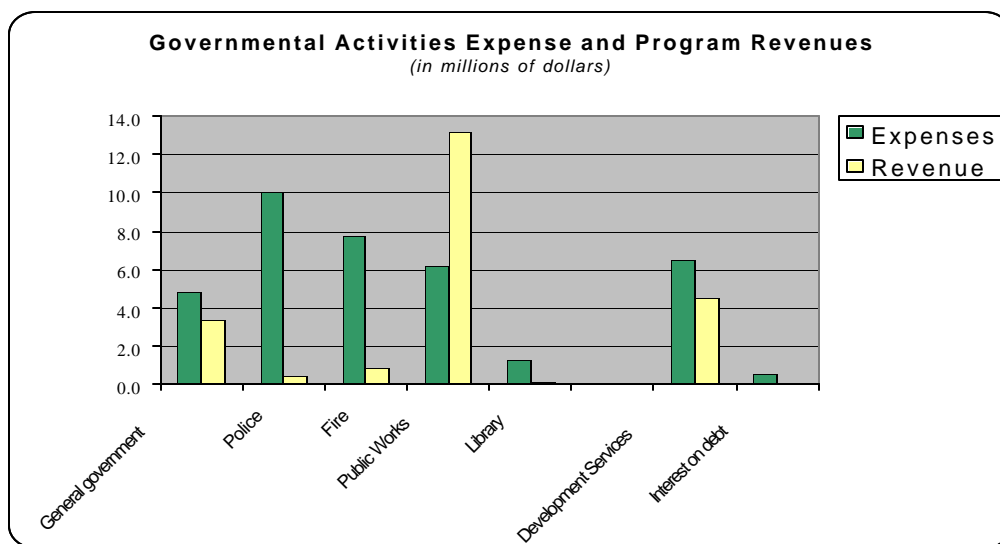


Chart 1

Chart 1 compares program revenues and expenses for the individual governmental activities for the current year. As the chart reflects, most governmental activities relied on general revenues to support the function. The Public Works Department received over \$3.5 million in donated infrastructure and a payment of \$4,125,000 from the Oregon Department of Transportation for the jurisdictional transfer of a section of South 42<sup>nd</sup> Street.

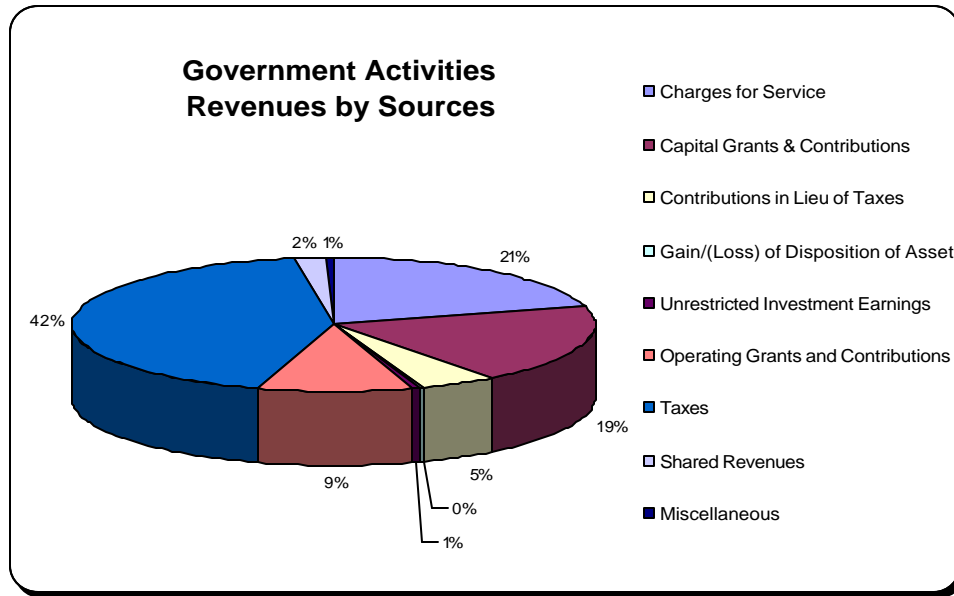


Chart 2

Chart 2 shows the percent of the total for each source of revenue supporting governmental activities.

**Business-type activities.** Business-type activities increased the City's net assets by \$1,333,755 accounting for 13 percent of the total growth in the government's net assets. Key elements of this increase are as follows:

- The Sewer Utility fund received capital contributions totaling almost \$900,000.
- The Sewer Utility fund collected system development charges of approximately \$890,000.
- As illustrated in Chart 4, the largest component of business-type fund revenue comes from charges for services.

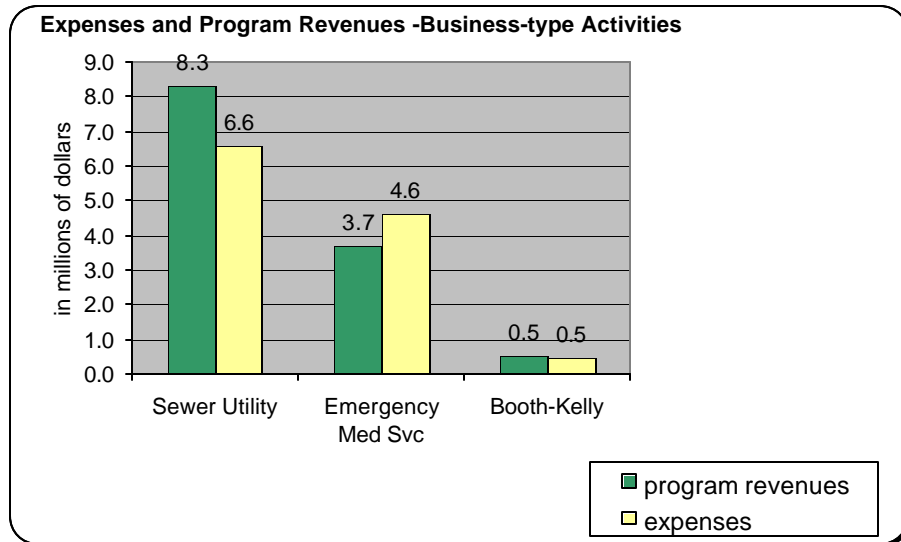


Chart 3

Chart 3 compares program revenues and expenses for the individual business-type activities for the current year. As the chart reflects, most business-type activities relied on program revenue to support the function.

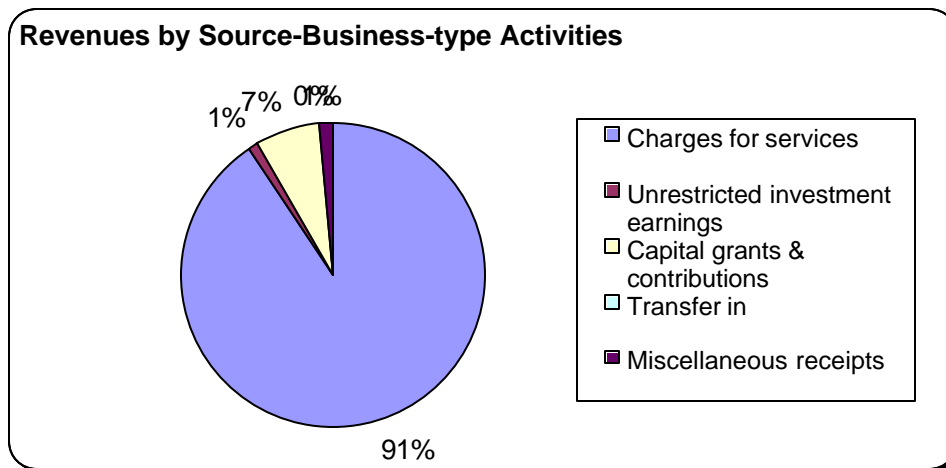


Chart 4

Chart 4 shows the percent of the total for each source of revenue supporting business-type activities.

## Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in

assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$24,643,662. Approximately 64 percent of this total amount, \$15,694,406, constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed for a variety of purposes.

The General fund is the chief operating fund of the City of Springfield. At the end of the current fiscal year, unreserved fund balance of the General fund was \$5,679,318, while total fund balance reached \$5,967,393. As measure of the General fund's liquidity it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 23 percent of total General fund expenditures, while total fund balance represents 24 percent of that same amount.

The fund balance of the City's General fund increased by \$1,058,150 during the fiscal year. The key factor for this growth is that the General fund received transfers from several other funds during the year in an attempt to maintain a desired level of unrestricted reserves despite an excess of expenditures over revenues.

The Street fund has total fund ending balance of \$9,613,004, an increase of \$5,184,996 from the prior year. The increase is primarily due to the payment of \$4,125,000 from ODOT for the jurisdictional transfer of a portion of So. 42<sup>nd</sup> Street. Another factor in the growth of the Street Fund was the implementation of a local gas tax during the fiscal year ended June 30, 2004. Gas tax receipts totaled over \$854,000 for the year.

The Development Capital Projects fund has a total ending fund balance of \$2,380,807. This is a decrease of \$2,870,197 from the prior year. The City contributed over \$2.5 million to the construction of the Sports Complex and the surrounding infrastructure, in accordance with the public/private partnership agreements.

Other governmental funds remained relatively stable during the year.

***Proprietary funds.*** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Sewer Utility at the end of the year amounted to \$7,951,660, Emergency Medical Services amounted to \$1,694,454 and those for Booth-Kelly total \$5,616,664. The total change in net assets for these funds were \$1,901,049, \$(427,059) and \$(156,894), respectively. Other factors concerning the finances of these three funds have already been addressed in the discussion of the City's business-type activities.

## **General Fund Budgetary Highlights**

The difference between the original budget and the final amended budget was an increase of \$2,761,885.

- \$268,939 to General Government
- \$282,769 to Fire
- \$62,568 to Police
- \$56,029 to Library
- \$15,067 to Public Works (includes capital projects)
- \$450,945 to Development Services
- \$1,625,568 to Non-departmental transfers and reserves

These increases were funded as follows:

- \$517,308 from unanticipated cash carryover from the prior year
- \$13,250 from increases in use of money and property
- \$83,000 from increases in charges for services
- \$38,949 from increases in miscellaneous revenues
- \$107,986 from increases in other revenues
- \$2,001,392 from increases in licenses and fees

For the year ended June 30, 2004 there was a small variation between the final amended budget revenue and the actual budget-basis revenue amounts in the General fund. Actual property tax revenues exceeded budget by 3%, while revenue from licenses and permits fell short of budget by 30%, due to the delay of a permit for a major development. Expenditures were under budget in all operating departments in amounts ranging from 0 to 10%, except for the Development Services department, which was under budget by 22%. The large variance in Development Services was due to a delay in consultant costs associated with the major development.

## **Capital Asset and Debt Administration**

**Capital assets.** The City's investment in capital assets for its governmental and business type activities as of June 30, 2004, amounts to \$110,198,909 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment and roads.

Major capital asset events during the current fiscal year included the following:

- Donated Right-of-way during the year was recorded at an estimated cost of \$2,100,182
- Donated Street infrastructure during the year was recorded at an estimated cost of \$1,577,216.
- The Fire Department replaced two fire engines at a combined cost over \$473,000.
- Donated Sewer infrastructure during the year was recorded at an estimated cost of \$653,577.



- The City spent over \$860,000 on infrastructure improvements in the vicinity of the Sports Complex. At year-end, these incomplete projects were in work-in-progress.

**City of Springfield's Capital Assets**  
(net of depreciation)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Land	\$30,891,165	\$28,774,587	\$2,697,649	\$3,011,754	\$33,588,814	\$31,786,341
Land Improvements	-	-	176,424	201,820	176,424	201,820
Construction in progress	2,428,293	676,045	1,816,732	961,486	4,245,025	1,637,531
Buildings	8,443,516	8,557,218	2,233,250	2,372,203	10,676,766	10,929,421
Improvements other than buildings			26,188,268	26,200,944	26,188,268	26,200,944
Infrastructure	28,147,991	27,716,059	-	-	28,147,991	27,716,059
Machinery & Equipment	6,126,538	6,948,977	356,103	339,759	6,482,641	7,288,736
Library Books	514,286	534,818	-	-	514,286	534,818
Studies	128,514	146,874	14,643	18,471	143,157	165,345
Other	-	-	35,536	38,791	35,536	38,791
Total	<u>\$76,680,304</u>	<u>\$78,354,578</u>	<u>\$33,518,605</u>	<u>\$33,145,227</u>	<u>\$110,198,909</u>	<u>\$106,499,805</u>

Additional information on the City's capital assets can be found in note F in the Basic Financial Statement section of this report.

***Debt Administration.*** At the end of the current fiscal year, the City had total bonded debt outstanding of \$11,070,000. Of this amount, \$8,725,000 comprises debt backed by the full faith and credit of the government. The remainder of the City's debt represents bonds secured solely by specified revenue sources.

**City of Springfield's Outstanding Debt**  
General Obligation and Revenue Bonds

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
General obligation bonds	\$8,725,000	\$ 9,315,000	\$ -	\$ -	\$8,725,000	\$9,315,000
Revenue bonds	<u>-</u>	<u>-</u>	<u>2,345,000</u>	<u>2,495,000</u>	<u>2,345,000</u>	<u>2,345,000</u>
Total	<u>\$8,725,000</u>	<u>\$9,315,000</u>	<u>\$ 2,345,000</u>	<u>\$2,495,000</u>	<u>\$11,070,000</u>	<u>\$11,810,000</u>

The City's total debt decreased by \$740,000 (6.3%) during the current fiscal year. For additional information on the City's long-term debt see Note I to the financial statements.

**Economic Factors and Next Year's Budgets and Rates**

During the preparation of the budget for the ensuing fiscal year, the long-term impacts of the local economy were examined in conjunction with business decisions made by the City. The following are the major assumptions used in developing the FY2005 budget:

- Assessed values, the basis of property tax revenues, will grow by 3.5%.
- Interest rates on investments will be 2%.
- Inflation will occur at 1.5%, with special attention given to energy, fuel and intergovernmental costs
- Wages will increase by 2.5% for non-union employees, and employees represented by Oregon Public Employees Union and the Association of Federal State City Municipal Employees.
- Wages will increase by 3% for Springfield Police Association employees.
- Wages will increase by 3% for employees represented by International Association of Fire Fighters.
- Retirement costs will increase by an additional 1.79 to 2.14 percent of eligible wages.
- Health Insurance costs will increase by 10%.

**Requests for Information**

This financial report is designed to provide a general overview of the City's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Valerie Warner  
Accounting & Audit Manager  
City of Springfield  
225 Fifth Street  
Springfield, OR 97477

**City of Springfield, Oregon**

**Basic Financial Statements**

## City of Springfield, Oregon

## Statement Of Net Assets

## ALL FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNITS

June 30, 2004

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Metropolitan Wastewater	Regional Fiber Consortium
<b>ASSETS AND OTHER DEBITS</b>					
Cash and investments	\$ 32,604,931	\$ 15,923,648	\$ 48,528,579	\$ 16,678,618	\$ 25,810
Receivables, net of allowance for uncollectable receivables	6,129,823	1,696,754	7,826,577	2,050,377	114
Internal Balances	132,573	(132,573)	-	-	-
Due to/From Other governments	5,174	-	5,174	(5,174)	-
Inventory	107,672	-	107,672	-	-
Investment in foreclosed properties	1,972	-	1,972	-	-
Property held for resale	105,238	-	105,238	-	-
Prepaid items	8,881	-	8,881	78,693	-
Deposits	5,327	-	5,327	500,000	-
Restricted assets - cash and investments	-	325,365	325,365	6,139,239	-
Restricted assets accounts receivables	-	-	-	405,409	-
Accrued interest	179,518	79,544	259,062	116,385	-
Capital assets					
Land and construction in progress	33,319,459	4,514,381	37,833,840	14,425,048	-
Other capital assets net of accumulated deprecia	43,360,845	29,004,224	72,365,069	56,373,308	24,015,341
			-		
Total assets and other debits	115,961,413	51,411,343	167,372,756	96,761,903	24,041,264
<b>LIABILITIES</b>					
Accounts payable	769,049	221,619	990,668	2,814,536	-
Accrued payroll and other liabilities	3,841,340	709,977	4,551,317	99,785	-
Deferred revenue	-	10	10	-	-
Unearned revenue	978,189	424,562	1,402,751	8,693	-
Interest payable	-	64,980	64,980	-	-
Deposits	-	28,503	28,503	-	-
Amounts held in trust	-	-	-	-	-
Notes payable - current maturity	-	276,887	276,887	-	-
Revenue bonds payable - current maturity	-	160,000	160,000	-	-
Capital lease obligations due within one year	27,350	-	27,350	-	-
Noncurrent liabilities					
Accrued absence payable	948,812	187,737	1,136,549	14,258	-
General long-term debt	9,596,964	-	9,596,964	-	-
Revenue bonds payable (net of unamortized discount)	-	2,165,562	2,165,562	-	-
Notes payable	-	2,248,719	2,248,719	-	-
Capital lease	158,166	-	158,166	-	-
Total liabilities	16,319,870	6,488,556	22,808,426	2,937,272	-
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	67,293,340	24,282,731	91,576,071	70,798,356	24,015,341
Restricted for:					
SDC projects	1,036,313	-	1,036,313	-	-
Bicycle trails	66,872	-	66,872	-	-
Transportation	7,051,907	-	7,051,907	-	-
Local sewer	-	5,509,851	5,509,851	-	-
Regional sanitary sewer	-	-	-	4,851,430	-
Debt service	351,758	-	351,758	-	-
Library	27,502	-	27,502	-	-
Police forfeitures	250,518	-	250,518	-	-
Museum	42,505	-	42,505	-	-
Unrestricted	23,520,828	15,130,205	38,651,033	18,174,845	25,923
Total Net assets	\$ 99,641,543	\$ 44,922,787	\$ 144,564,330	\$ 93,824,631	\$ 24,041,264

The accompanying notes are an integral part of this statement.

CITY OF SPRINGFIELD  
Statement of Activities  
For the Year Ended June 30, 2004

Net (Expense) Revenue and Changes in Net Assets									
Functions/Programs	Program Revenues				Primary Government			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Total Business-Type Activities	Total	Metropolitan	
								Wastewater	
								Management Commission	Regional Fiber
Primary Government									
Governmental activities:									
General government	\$ 4,840,650	\$ 2,900,208	\$ -	\$ 590,350	\$ (1,350,092)	\$ -	\$ (1,350,092)	\$ -	\$ -
Police	10,454,210	150,892	213,455	-	(10,089,863)	-	(10,089,863)	-	-
Fire	7,833,341	919,655	-	-	(6,913,686)	-	(6,913,686)	-	-
Public Works	6,239,200	2,664,605	2,453,384	8,166,604	7,045,393	-	7,045,393	-	-
Library	1,330,856	100,226	22,973	-	(1,207,657)	-	(1,207,657)	-	-
Development Services	6,515,103	2,807,175	1,630,831	105,238	(1,971,859)	-	(1,971,859)	-	-
Depreciation, unallocated	235,888	-	-	-	(235,888)	-	(235,888)	-	-
Interest on long-term debt	538,562	-	-	-	(538,562)	-	(538,562)	-	-
Total governmental activities	37,987,811	9,542,761	4,320,643	8,862,192	(15,262,215)	-	(15,262,215)	-	-
Business-type activities:									
Sewer	6,677,105	7,476,531	-	898,627	-	1,698,053	1,698,053	-	-
Booth Kelly	438,049	537,199	-	-	-	99,150	99,150	-	-
Emergency Medical activities	4,654,840	3,753,519	-	27,681	-	(873,640)	(873,640)	-	-
Total business-type activities	11,769,994	11,767,249	-	926,308	-	923,563	923,563	-	-
Total Primary Government	\$ 49,757,805	\$ 21,310,010	\$ 4,320,643	\$ 9,788,500	(15,262,215)	923,563	(14,338,652)	-	-
Component Units									
Regional Fiber Consortium	1,537,169	175,000	-	-	-	-	-	-	(1,362,169)
MWMC	15,325,209	12,658,673	-	-	-	-	-	(2,666,536)	-
Total Component Units	\$ 16,862,378	\$ 12,833,673	\$ -	\$ -	-	-	-	(2,666,536)	(1,362,169)
General revenues:									
Property taxes					16,778,764	-	16,778,764	-	-
Other taxes					2,441,620	-	2,441,620	-	-
In lieu of taxes					2,148,012	-	2,148,012	-	-
Room tax					524,726	-	524,726	-	-
Interest and investment earnings					295,382	141,853	437,235	239,344	2,283
Miscellaneous					253,878	165,850	419,728	331,108	-
Gain (loss) on disposition of capital assets					(108,614)	557,509	448,895	(18,921)	-
Shared revenue					927,259	-	927,259	-	-
Transfers					455,019	(455,019)	-	-	-
Total general revenues and transfers					23,716,046	410,193	24,126,240	551,531	2,283
Change in net assets					8,453,832	1,333,756	9,787,588	(2,115,005)	(1,359,886)
Net assets,beginning					91,182,613	43,589,032	134,771,645	95,939,636	25,401,150
Change in net assets for inventory					5,099	-	5,099	-	-
Net assets,beginning (as restated)					91,187,712	43,589,032	134,776,744	95,939,636	25,401,150
Net assets,ending					\$ 99,641,543	\$ 44,922,787	\$ 144,564,330	\$ 93,824,631	\$ 24,041,264

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon  
BALANCE SHEET  
GOVERNMENTAL FUNDS

June 30, 2004

	General	Street	Special Revenue	CDBG	Development Projects	Nonmajor Governmental	Total Governmental
<b>ASSETS</b>							
Cash and investments	\$ 6,877,108	\$ 9,331,818	\$ -	\$ -	\$ 3,398,022	\$ 6,933,519	\$ 26,540,467
Receivables:							
Accounts	536,080	747,226	-	-	83,954	129,971	1,497,231
Property taxes	737,054	-	-	-	-	231,082	968,136
Assessments and liens	-	-	-	-	-	179,797	179,797
Grants	66,343	104,062	174,621	190,335	115,676	-	651,037
Accrued interest	50,282	44,616	-	-	19,266	37,298	151,462
Mortgage notes	-	-	1,381,440	1,359,822	23,704	68,657	2,833,623
Inventory	1,174	106,498	-	-	-	-	107,672
Investment in foreclosed property	1,972	-	-	-	-	-	1,972
Property held for resale	-	-	-	105,238	-	-	105,238
Due from other funds	325,732	-	-	-	-	-	325,732
Prepaid items	8,881	-	-	-	-	-	8,881
Deposits	-	-	5,327	-	-	-	5,327
<b>Total assets</b>	<b>\$ 8,604,626</b>	<b>\$ 10,334,220</b>	<b>\$ 1,561,388</b>	<b>\$ 1,655,395</b>	<b>\$ 3,640,622</b>	<b>\$ 7,580,324</b>	<b>\$ 33,376,575</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Accounts payable	\$ 195,695	\$ 64,065	\$ 8,584	\$ 16,755	\$ 76,852	\$ 110,993	\$ 472,944
Accrued payroll and other liabilities	1,414,658	168,718	4,548	24,274	-	191,492	1,803,690
Deferred revenue	1,026,880	466,627	1,403,494	1,475,167	231,306	548,884	5,152,358
Unearned revenue	-	21,806	4,726	-	951,657	-	978,189
Due to other funds	-	-	201,026	102,612	-	22,094	325,732
<b>Total liabilities</b>	<b>2,637,233</b>	<b>721,216</b>	<b>1,622,378</b>	<b>1,618,808</b>	<b>1,259,815</b>	<b>873,463</b>	<b>8,732,913</b>
<b>Fund Balances:</b>							
<b>Reserved</b>							
Inventory	1,174	106,499	-	-	-	-	107,673
Library	27,502	-	-	-	-	-	27,502
Museum	-	-	-	-	-	42,505	42,505
Bicycle trails	-	66,872	-	-	-	-	66,872
Prepays	8,881	-	-	-	-	-	8,881
Deposits	-	-	5,327	-	-	-	5,327
Police Forfeitures	250,518	-	-	-	-	-	250,518
Street	-	7,051,907	-	-	-	-	7,051,907
Property held for resale	-	-	-	105,238	-	-	105,238
Debt service	-	-	-	-	-	351,758	351,758
SDC projects	-	-	-	-	1,036,313	-	1,036,313
<b>Unreserved, reported in:</b>							
General Fund	5,679,318						5,679,318
Special Revenue funds		2,387,726	(66,317)	(68,651)		894,867	3,147,625
Capital Projects funds					1,344,494	2,230,163	3,574,657
Debt Service funds						3,187,568	3,187,568
<b>Total fund balances</b>	<b>5,967,393</b>	<b>9,613,004</b>	<b>(60,990)</b>	<b>36,587</b>	<b>2,380,807</b>	<b>6,706,861</b>	<b>24,643,662</b>
<b>Total liabilities and fund balances</b>	<b>\$ 8,604,626</b>	<b>\$ 10,334,220</b>	<b>\$ 1,561,388</b>	<b>\$ 1,655,395</b>	<b>\$ 3,640,622</b>	<b>\$ 7,580,324</b>	

Reconciliation to the statement of net assets

The statement of net assets reports receivables at their net realizable value. However, receivables not available to pay for current period expenditures are deferred ingovernmental funds.

5,152,358

Capital assets are not financial resources in governmental funds, but are reported in the Statement of Net Assets at their net depreciable value

70,915,392

All liabilities are reported in the Statement of Net Assets. However, if they are not due and payable in the current period, they are not recorded in the governmental funds.

(12,153,541)

Internal service funds are proprietary-type funds and not reported with governmental funds. However, because internal service funds primarily benefit governmental activities, their assets, liabilities, and net assets are reported along with governmental activities in the Statement of Net Assets.

11,083,672

Net assets of governmental activities

\$ 99,641,543

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon

GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Year Ended June 30, 2004

	General	Street	Special Revenue	CDBG	Development Capital Projects	Nonmajor Governmental	Total Governmental
Revenues:							
Taxes	\$ 12,755,305	\$ 854,914	\$ 217,396	\$ -	\$ -	\$ 4,263,577	\$ 18,091,192
Intergovernmental	3,246,385	7,199,302	353,095	808,093	178,127	-	11,785,002
Licenses and permits	3,391,704	48,327	-	-	-	-	3,440,031
Fines & Forfeitures	804,953	-	-	-	-	-	804,953
Use of money & property	133,379	31,784	644,000	167,011	29,181	153,081	1,158,436
Miscellaneous receipts	150,190	134,545	1,020	300	106,354	24,392	416,801
Charges for services	3,028,176	943,546	-	-	161,663	1,062,169	5,195,554
Special Assessments	-	-	-	-	-	59,444	59,444
Total Revenues	<u>23,510,092</u>	<u>9,212,418</u>	<u>1,215,511</u>	<u>975,404</u>	<u>475,325</u>	<u>5,562,663</u>	<u>40,951,413</u>
Expenditures:							
Current Operating:							
General Government	4,333,838	19,167	2,573	14,142	110,148	155,483	4,635,351
Fire	6,828,571	-	59,184	-	-	833,836	7,721,591
Police	8,923,000	-	285,059	-	-	1,070,943	10,279,002
Library	1,149,658	-	7,220	-	-	41,156	1,198,034
Public Works	769,223	3,549,353	-	-	-	533,804	4,852,380
Development Services	1,975,406	76,594	531,261	558,387	-	809,164	3,950,812
Capital Projects	-	362,124	303,745	447,941	2,950,345	256,896	4,321,051
Debt Service							
Principal	-	-	-	-	-	641,285	641,285
Interest	-	-	-	-	-	538,562	538,562
Total Expenditures	<u>23,979,696</u>	<u>4,007,238</u>	<u>1,189,042</u>	<u>1,020,470</u>	<u>3,060,493</u>	<u>4,881,129</u>	<u>38,138,068</u>
Excess of revenues over (under) expenditures	(469,604)	5,205,180	26,469	(45,066)	(2,585,168)	681,534	2,813,345
Other financing sources (Uses)							
Capital contributions	-	-	-	105,238	-	-	105,238
Transfers in	1,537,017	-	-	-	70,370	125,891	1,733,278
Transfers out	<u>(8,765)</u>	<u>(20,184)</u>	<u>-</u>	<u>-</u>	<u>(355,399)</u>	<u>(846,912)</u>	<u>(1,231,260)</u>
Total other financing sources (uses)	<u>1,528,252</u>	<u>(20,184)</u>	<u>-</u>	<u>105,238</u>	<u>(285,029)</u>	<u>(721,021)</u>	<u>607,256</u>
Net change in fund balance	1,058,648	5,184,996	26,469	60,172	(2,870,197)	(39,487)	3,420,601
Fund balances-- beginning	4,909,242	4,422,412	(87,459)	(23,585)	5,251,004	6,746,348	21,217,962
Change in reserve for inventories	<u>(497)</u>	<u>5,596</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,099</u>
Fund balances--ending	<u>\$ 5,967,393</u>	<u>\$ 9,613,004</u>	<u>\$ (60,990)</u>	<u>\$ 36,587</u>	<u>\$ 2,380,807</u>	<u>\$ 6,706,861</u>	<u>\$ 24,643,662</u>

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon

Reconciliation of Statement of Revenues, Expenditures and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities  
For the Year Ended June 30, 2004

Net change in fund balances total governmental funds	\$ 3,420,601
The net revenue of certain activities of Internal Service funds is reported with governmental activities	78,593
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund statements	534,391
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	3,742,357
Governmental funds do not report expenditures for unpaid compensated absences since they do not require the use of current financial resources. However, the Statement of Activities reports such expenses when incurred, regardless of when settlement ultimately occurs.	36,604
Repayments of long-term debt use current financial resources and are reported as expenditures in governmental funds. However the payment of debt principal does not affect the Statement of Activities, but is reported as a decrease in noncurrent liabilities in the Statement of Net Assets	<u>641,285</u>
Change in net assets, governmental activities	\$ <u><u>8,453,831</u></u>

The accompanying notes are an integral part of this statement.



June 30, 2004

	Business-type Activities - Enterprise Funds				Governmental Activities
	Sewer Utility	Emergency Medical Services	Booth-Kelly	Total	Internal Service Funds
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 12,961,566	\$ 1,688,193	\$ 1,273,889	\$ 15,923,648	\$ 6,064,464
Accounts receivable, net of allowance for estimated uncollectibles	911,120	783,870	1,764	1,696,754	-
Accrued interest	64,972	8,375	6,197	79,544	28,054
Total current assets	13,937,658	2,480,438	1,281,850	17,699,946	6,092,518
Noncurrent assets:					
Restricted cash	325,365	-	-	325,365	-
Bond costs - net	35,535	-	-	35,535	-
Fixed assets - net	26,559,916	315,377	2,093,396	28,968,689	5,285,730
Construction in progress	1,753,095	-	63,637	1,816,732	479,182
Land and land rights	469,976	-	2,227,673	2,697,649	-
Total noncurrent assets	29,143,887	315,377	4,384,706	33,843,970	5,764,912
Total assets	43,081,545	2,795,815	5,666,556	51,543,916	11,857,430
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	163,311	47,362	10,946	221,619	296,105
Accrued payroll and other liabilities	440,925	259,236	9,816	709,977	429,884
Accrued interest	64,980	-	-	64,980	-
Deferred revenue	10	-	-	10	-
Deposits	2,375	-	26,128	28,503	-
Notes payable - current maturity	276,887	-	-	276,887	-
Capital lease payable - current maturity	-	-	-	-	27,350
Unearned revenues	-	424,179	383	424,562	-
Revenue bonds payable - current maturity	160,000	-	-	160,000	-
Total current liabilities	1,108,488	730,777	47,273	1,886,538	753,339
Noncurrent liabilities:					
Accrued absence payable	129,911	55,207	2,619	187,737	-
Revenue bonds payable (net of unamortized discount)	2,165,562	-	-	2,165,562	-
Notes payable	2,248,719	-	-	2,248,719	-
Capital lease obligation, less current portion	-	-	-	-	158,166
Total noncurrent liabilities	4,544,192	55,207	2,619	4,602,018	158,166
Total liabilities	5,652,680	785,984	49,892	6,488,556	911,505
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	23,967,354	315,377	-	24,282,731	5,579,396
Restricted	5,509,851	-	-	5,509,851	-
Unrestricted	7,951,660	1,694,454	5,616,664	15,262,778	5,366,529
Total net assets	\$ 37,428,865	\$ 2,009,831	\$ 5,616,664	45,055,360	\$ 10,945,925
Adjustment to reflect consolidation of Internal Service Fund activities				(132,573)	
Net assets of business-type activities				\$ 44,922,787	

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon

PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

Year Ended June 30, 2004

	Business-type Activities - Enterprise Funds				Governmental Activities
	Sewer Utility	Emergency Medical Services	Booth- Kelly	Total	Internal service Funds
OPERATING REVENUES:					
Charges for services	\$ 6,629,231	\$ 5,362,553	\$ 537,199	\$ 12,528,983	\$ 2,452,019
Less: Contractual adjustments	-	(1,609,034)	-	(1,609,034)	-
Intergovernmental revenues	-	27,681	-	27,681	-
Miscellaneous receipts	127,607	37,956	287	165,850	68,935
Total operating revenues	6,756,838	3,819,156	537,486	11,113,480	2,520,954
Operating expenses:					
City Manager's Office	-	-	-	-	1,693
Court	-	-	-	-	2,540
Finance	8,469	-	-	8,469	3,588
Information Technology	-	-	-	-	183,517
Library	-	-	-	-	8,678
Fire	-	3,974,501	-	3,974,501	318,887
Police	-	-	-	-	32,928
Public Works	5,636,054	-	20,774	5,656,828	108,749
Human Resources	-	-	-	-	1,159,344
Development Services	98,330	-	238,797	337,127	11,962
Depreciation	710,278	71,369	213,173	994,820	1,080,423
Bad debt expense	-	619,821	-	619,821	-
Total operating expenses	6,453,131	4,665,691	472,744	11,591,566	2,912,309
Operating income (loss)	303,707	(846,535)	64,742	(478,086)	(391,355)
Nonoperating revenues (expenses):					
Interest on investments	116,373	11,966	13,514	141,853	52,167
Interest expense	(236,475)	-	-	(236,475)	-
Gain/(loss) on disposal of assets	-	557,509	-	557,509	(108,614)
Other nonoperating expense	-	-	(1,890)	(1,890)	-
Total nonoperating revenues	(120,102)	569,475	11,624	460,997	(56,447)
Net income (loss) before transfers	183,605	(277,060)	76,366	(17,089)	(447,802)
Transfers in	-	-	-	-	3,000
Transfers (out)	(71,758)	(150,000)	(233,261)	(455,019)	(50,000)
Capital contributions	1,789,202	-	-	1,789,202	590,350
Change in net assets	1,901,049	(427,060)	(156,895)	1,317,094	95,548
Net assets - beginning	35,527,816	2,436,891	5,773,559	43,738,266	10,850,377
Net assets, end of year	\$ 37,428,865	\$ 2,009,831	\$ 5,616,664	45,055,360	\$ 10,945,925
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(132,573)	
				\$ 44,922,787	

The accompanying notes are an integral part of this statement.

## City of Springfield, Oregon

PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS

Year Ended June 30, 2004

	Business type activities - Enterprise Funds				Governmental Activities Internal service Funds
	Sewer Utility	Emergency Medical Services	Booth Kelly	Total	
Cash flows from operating activities:					
Cash received from customers	\$ 6,279,464	\$ 3,133,177	\$ 535,723	\$ 9,948,364	\$ -
Cash received from Interfund services provided	-	-	-	-	2,452,019
Cash paid for employee services	(3,042,208)	(2,716,245)	(4,940)	(5,763,393)	333,249
Cash paid to suppliers for goods and services	(2,650,180)	(1,298,145)	(268,436)	(4,216,761)	(1,568,626)
Other operating receipts (expenditures)	125,313	73,604	(1,867)	197,050	68,935
Net cash provided by (used in) operating activities	712,389	(807,609)	260,480	165,260	1,285,577
Cash flows from noncapital financing activities:					
Net Transfers	826,869	(150,000)	(233,261)	443,608	-
Operating transfers (to) from other funds	-	-	-	-	(47,000)
Capital contributions	-	-	-	-	590,350
Net cash provided by noncapital financing activities	826,869	(150,000)	(233,261)	443,608	543,350
Cash flows from capital and related financing activities:					
Bond costs	3,256	-	-	3,256	-
Acquisition of capital assets	(1,557,753)	-	(73,288)	(1,631,041)	185,516
Disposition of capital assets	-	815,206	-	815,206	(772,408)
System Development Charges	890,575	-	-	890,575	-
Loan payments	(161,023)	-	-	(161,023)	-
Bond payments	(148,219)	-	-	(148,219)	-
Interest paid	(243,005)	-	-	(243,005)	-
Net cash used in capital and related financing activities	(1,216,169)	815,206	(73,288)	(474,251)	(586,892)
Cash flows from investing activities:					
Interest received	125,996	15,017	14,674	155,687	51,595
Net change in cash and investments	449,085	(127,386)	(31,395)	290,304	1,293,630
Cash and investments, beginning of year	12,837,846	1,815,578	1,305,284	15,958,708	4,770,834
Cash and investments, end of year	\$ 13,286,931	\$ 1,688,193	\$ 1,273,889	\$ 16,249,013	\$ 6,064,464
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating loss	\$ 303,707	\$ (846,535)	\$ 64,742	\$ (478,086)	\$ (391,355)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:					
Depreciation	710,278	71,369	213,173	994,820	1,080,423
Changes in assets and liabilities:					
Accounts receivable	(349,767)	(9,716)	(1,763)	(361,246)	10,200
Prepaid expenses	54,139	9,195	-	63,334	-
Accounts payable	(24,556)	14,584	(8,865)	(18,837)	253,060
Accrued payroll and other liabilities	20,882	(54,473)	(4,940)	(38,531)	333,249
Deposits	-	-	(2,250)	(2,250)	-
Unearned revenue	-	7,967	-	7,967	-
Deferred revenue	(2,294)	-	383	(1,911)	-
Net cash provided by (used in) operating activities	\$ 712,389	\$ (807,609)	\$ 260,480	\$ 165,260	\$ 1,285,577
Noncash capital and related financing activities:					
Contributed capital assets	\$ 898,627	\$ -	\$ -	\$ 898,627	\$ 590,350
Retirement and disposition of capital assets, net of accumulated depreciation	-	-	-	-	(108,614)

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon

Statement of Fiduciary Net Assets  
Agency Fund

June 30, 2004

ASSETS

Cash & investments	\$ 1,147,934
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Total assets	\$ 1,147,934
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LIABILITIES

Amounts held in trust for other parties	\$ 1,147,934
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Total liabilities	\$ 1,147,934
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The accompanying notes are an integral part of this statement.